

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 301

December 10, 2013

10:00 A.M.

The Three Hundred First meeting of the State Insurance and Risk Management Board was held on Wednesday, December 10, 2013 at the Board of Regents for Higher Education, 39 Woodland Street, Hartford, CT.

Acting Chairperson Savitsky presided.

The following members were in attendance:

State Insurance & Risk Management Board

Ms. Linda R. Savitsky, Acting Chairperson

Mr. Seth T. Mahler, Vice Chairperson

Ms. Susan M. Donatelli

Mr. Stephen Fontana

Mr. Daniel J. Friedman

Ms. Marjorie F.B. Lemmon

Mr. Patrick Mahon

Mr. Michael T. McCormack

Mr. Robert J. Broomall was unable to attend.

Mr. Wallace J. Irish was unable to attend.

Ms. Martha Carlson, Deputy Comptroller, was unable to attend.

Department of Administrative Services/Insurance and Risk Management Board

Ms. Daria J. Cirish, Risk Manager

Ms. Eileen G. McNeil

Office of the Agent of Record

Mr. John Byrnes, President

Mr. Fred Tanguay, Vice President

Ms. Doreen Lessard

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1. Approval of the Minutes of Meeting No. 300 held on September 20, 2013 (Exhibit 1)

A motion was made by Mr. Fontana, seconded by Mr. McCormack and unanimously

VOTED: To approve the minutes of Meeting No. 300 held on September 20, 2013.

2. Reconciliation of and Review of Premium Payments, Informal Bids Processed by the Board since the Last Approval (Exhibit 2)

Mr. Tanguay reviewed the Net Payment Analysis explaining that the Board has an \$8 million deficiency due to the settlement of two Fleet claims this fiscal year. He explained that the Board is responsible for the \$4 million self-insured retention on each claim. The Board is in the process of working with the Business Office and O.P.M. to request an additional \$8 million. Ms. Savitsky will present testimony at the Deficiency Hearing.

A motion was made by Mr. Fontana, seconded by Ms. Lemmon and unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last meeting totaling \$933,176.46 for F.Y. 2013 and \$6,420,606.03 for F.Y. 2014.

3. Votes

A) Casualty Policy (Exhibit 3A)

Mr. Tanguay reviewed the exhibit noting this policy covers approximately 12,000 vehicles, 4,300 miles of State-owned and maintained roads and highways and other specialized exposures as outlined in Exhibit 3A. He reviewed the history of the insurance market over the past ten years and noted that the insurance market is starting to harden.

After reviewing the exhibit, a motion was made by Mr. Mahon, seconded by Ms. Donatelli and unanimously

VOTED: To place coverage, as outlined in Exhibit 3A for an annual premium of \$2,231,809.

3. B) Physical Damage (Exhibit 3B)

Mr. Tanguay explained that this policy provides collision and comprehensive physical damage on scheduled State-owned vehicles with an ACV value of \$100,000 or more, or leased vehicles where insurance is contractually required.

A motion was made by Mr. Mahon, seconded by Mr. Mahler and unanimously

VOTED: To place coverage as outlined in Exhibit 3B, Option #1 for a premium of \$141,012.

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4. Any Other Matters to Properly Come Before the Board

Ms. Cirish informed the Board that she is still working with DAS' legal counsel on the Sunset Law documents. She and Ms. Savitsky will be meeting with DAS Commissioner DeFronzo within the next month.

Mr. Tanguay advised the Board that there was a Large Loss Committee Meeting on December 5. The committee granted the TPA settlement authority on six claims, as well as authorized several reserve changes.

5. Date and Location of Next Meeting

The Board set the meeting schedule for 2014. The meetings will be held on March 4, June 10, September 9 and December 9, 2014. The meetings will be held at the Board of Regents for Higher Education.

6. Motion to Adjourn

It was moved by Mr. Mahler, seconded by Mr. Mahon a and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 10:51 A.M.

Linda Savitsky
Approved 03/04/2014